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Guatemala

Agricultural Situation

Sell To Growing Markets

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Report Highlights:

The Guatemalan and El Salvadoran markets grew last year 15 and 13 percent respectively. Was your company exporting to these Central American countries? Here is a combined regional market close to you, easy to reach, ready for new products, open to trade, and having very favorable relations with the United States. U.S. agricultural exports to the northern four countries in Central America reached a record \$783.3 million; 8.7 percent more than in 2000.

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The Guatemalan and El Salvadoran markets grew last year 15 and 13 percent respectively. Was your company exporting to these Central American countries? According to the U.S. Bureau of Census data for calendar year 2001, U.S. agricultural exports to Guatemala were \$302.1 million, El Salvador; \$248 million and Honduras; \$206.5 million. Add Belize's \$26.7 million and U.S. agricultural exports to the northern four countries in Central America reached a record \$783.3 million; 8.7 percent more than in 2000. Within this record level of U.S. agricultural exports, there was strong growth and records in many products. Bulk commodity exports reached \$280 million, exports of intermediate goods were \$265 million and sales of U.S. consumer-oriented products hit a record \$200 million.

On the map these countries might look small, but don't be misled by size. Here is a combined regional market close to you, easy to reach, ready for new products, open to trade, and having very favorable relations with the United States. Dozens of new supermarkets have been opened containing miles of shelf space to be filled with processed foods produced by companies like yours.

U.S. AGRICULTURAL EXPORTS				
Where are the markets growing?				
Central America compared to other leading markets				
	2000	2001	% Growth	\$ Growth
Guatemala	\$263,338	\$302,140	14.7%	\$38,802
El Salvador	\$219,944	\$247,992	12.8%	\$28,048
Honduras	\$205,469	\$206,505	0.5%	\$1,036
Belize	\$32,156	\$26,666	-17.1%	\$(5,490)
Northern Cent. America	\$688,751	\$756,637	9.9%	\$67,886
Nicaragua	\$75,134	\$103,032	37.1%	\$27,898
Costa Rica	\$195,880	\$207,332	5.8%	\$11,452
Panama	\$183,542	\$185,009	0.8%	\$1,467
Southern Cent. America	\$454,556	\$495,373	9.0%	\$40,817
Central America	\$1,143,307	\$1,252,010	9.5%	\$108,703
European Union	\$9,406,048	\$9,597,359	2.0%	\$191,311
Hong Kong	\$11,905,089	\$11,096,642	-6.8%	\$(808,447)

Korea, Republic of	\$2,890,596	\$3,029,611	4.8%	\$139,015
Japan	\$11,905,089	\$11,096,642	-6.8%	\$(808,447)
Mexico	\$6,892,126	\$7,848,781	13.9%	\$956,655
Canada	\$10,050,727	\$10,323,413	2.7%	\$272,686
Brazil	\$271,993	\$231,258	-15.0%	\$(40,735)
Colombia	\$420,133	\$455,573	8.4%	\$35,440
Chile	\$134,164	\$114,192	-14.9%	\$(19,972)
Venezuela	\$418,539	\$426,641	1.9%	\$8,102
Figures are in thousands of dollars FOB value.				
Source: US Bureau of the Census Trade Data.				

Consumer-Oriented Products

Guatemala- In 2001, U.S. exports of consumer-oriented food and beverages, plus nursery products and cut flowers, were a record \$102.2 million, up 21.5 percent from 2000. The growth was due to record sales of poultry meat, processed fruit and vegetables, red meats, snack foods, and fruit and vegetable juices. Of further note is \$10.2 million of U.S. dairy exports to Guatemala. And sales of U.S. wines and beer at \$664,000 almost surpassed the 1999 record of \$701,000.

Honduras- Record sales abounded last year in seven of 15 consumer-oriented categories in the BICO report. Look for further growth in sales of red meats, snack foods, fresh fruit and pet foods. If the poultry meat market opens wider and you can export chicken parts, then you better be positioned in the city markets of San Pedro Sula and Tegucigalpa. U.S. exports of consumer-oriented agricultural products to Honduras in 2001 were a record \$57.1 million, up \$4.5 million from 2000 and showing a fifth consecutive year of growth.

El Salvador- Last year \$40.5 million of consumer-oriented U.S. agricultural products were exported to El Salvador. This was 4.5 percent less than the 2000 record and due mostly to a \$2 million temporary drop in processed fruits and vegetable exports. The largest export category was dairy products at \$13.8 million, followed by a record \$5.6 million of snack foods and \$5.8 million of processed fruit and vegetables. Don't overlook the Salvadoran market for U.S. fresh fruits and tree nuts because it's going to grow. Beef and pork exporters are busy selling to El Salvador; a country with five prosperous cities and 138 supermarkets.

The reader is referred to the FAS Retail Trade Sector reports written in November and December 2001. More information on the structure of the food markets in El Salvador, Guatemala, and Honduras.

Intermediate Agricultural Products

The regional market is growing, showing records in three of the four countries for this category. We hope you didn't miss out on last year's \$265 million of trade. You might think of these sales as serving the booming food and beverage ingredient market in Central America. This looks to be a growth industry in these countries.

Guatemala- According to the BICO, buyers in this country imported a record \$99.6 million of intermediate or semi-processed goods from U.S. companies. Topping the list is U.S. soybean meal at \$28.9 million, followed by \$16.6 million of animal fats and record sales of \$6.6 million of feeds and fodders. With these numbers, it's easy to see a flourishing regional animal feed industry.. Record sales of U.S. planting seeds are being driven by the boom in Guatemala's vegetable production and exports. Here is a chance for your company to add to this \$6.6 million seed market.

El Salvador- Imports of \$86 million of intermediate agricultural goods in 2001 included \$28 million of soybean meal, and a record \$6.7 million of feeds and fodders. Attesting to the expanding food and beverage ingredient markets were a record \$25.4 million of sugars, sweeteners and beverage bases and nearly \$11 million of vegetable oils.

Honduras- This market for intermediate products recorded it's seventh consecutive year of growth with a record \$69.2 million in U.S. sales. The biggest factor is a solid 9.7 percent growth in US exports of sugars, sweeteners and beverage bases. U.S. feed ingredient companies can make sizeable sales of animal fats, feeds and fodders and soybean meal when dealing with the prosperous Honduran livestock and poultry industries.

Bulk Commodities

In 2001 U.S. exports of coarse grains, almost totally corn, were valued at \$112.3 million, wheat exports to the region were more than \$71 million, rice reached \$45.7 million, and cotton topped \$38.3 million. Bulk commodities accounted for 36 percent of all U.S. agricultural exports to Central America's northern four countries, compared to 44.6 percent in 1995. These figures might deceive the reader as bulk commodities suffered fairly wide price swings over time depending upon the supply and demand balance. Sources of trade information other than the BICO report show that the region's imports of U.S. grains have been growing in terms of tonnage. This is evidence of the expanding livestock and poultry sectors and the declines in Central American grain production.

Summary of US Bulk Agricultural Commodity Exports				
to Guatemala, El Salvador and Honduras				
Calendar Year 2001				
Product	Guatemala	El Salvador	Honduras	Total of three
Wheat	\$18,068	\$30,945	\$22,485	\$71,498
Coarse Grains	\$46,419	\$43,651	\$22,248	\$112,318
Rice	\$7,887	\$17,149	\$20,704	\$45,740
Soybeans	\$2,532	\$121	\$0	\$2,653
Cotton	\$16,515	\$20,965	\$866	\$38,346
Tobacco	\$55	\$0	\$4,680	\$4,735
Pulses	\$1,934	\$245	\$494	\$2,673
Peanuts	\$24	\$12	\$14	\$50
Others	\$1,030	\$400	\$350	\$1,780
Country Totals	\$94,464	\$113,488	\$71,841	\$279,793
Figures are in thousands of dollars FOB value.				